

What opportunities does the TFTA present?

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Tomato imports into the TFTA were valued at \$292.9 million in 2023, up from \$143.6 million in 2014. Notably, the majority (77%) of these imports came from non-TFTA member states. The question is: are businesses within the TFTA prepared to capitalize on such opportunities?

The COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) Agreement, which officially came into force on July 25, 2024, is a transformative milestone in African international trade. Ratified by 14 out of 29 partner states, the TFTA establishes Africa's largest free trade area. For the ratifying members, it unlocks significant opportunities to enhance exports.

However, the ability of businesses within partner states to fully harness these opportunities hinges on their awareness of existing market potential and readiness to compete. Understanding demand trends and aligning production capabilities with high-demand sectors are crucial for capitalizing on the benefits of the TFTA. One of the most promising sectors in the TFTA is the 'Prepared Foodstuffs' category, which has experienced remarkable growth in recent years. In 2023, imports of prepared foodstuffs were valued at \$10.1 billion, up from \$8.9 billion in 2016. These products, classified under Chapters 16–24 of the Harmonized System (HS), encompass a broad range of high-demand consumables, presenting significant export opportunities for TFTA members with strong agricultural and food processing industries.

Table showing imports of Prepared Foodstuffs into the TFTA (Ratified) 2019-2023

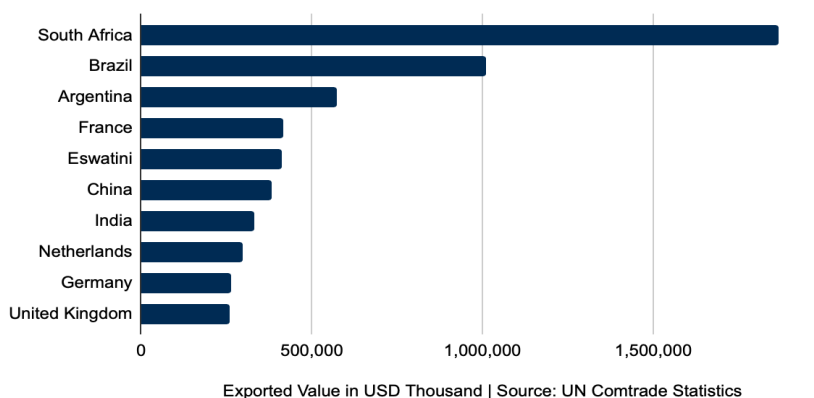
	Imported value in US Dollar thousand				
	2019	2020	2021	2022	2023
All Prepared Food Stuff (HS 16-24)	9,067,722	8,022,510	9,027,639	9,880,692	10,145,335
Sugars and sugar confectionery (HS 17)	1,846,706	1,487,283	1,796,214	2,036,390	2,145,559
Beverages, spirits and vinegar (HS 22)	1,568,627	1,093,474	1,428,135	1,699,475	1,801,375
Residues and waste from the food industries (HS 23)	1,107,160	1,009,135	1,289,174	1,235,247	1,520,853
Miscellaneous edible preparations (HS 21)	1,090,103	1,171,843	1,344,902	1,465,405	1,413,343
Preparations of cereals, flour (HS 19)	822,443	773,184	847,434	969,120	937,501
Tobacco and manufactured tobacco substitutes (HS 24)	1,089,167	990,620	661,293	692,168	789,357
Preparations of vegetables, fruit, nuts (HS 20)	619,226	554,997	661,023	697,645	720,876
Cocoa and cocoa preparations (HS 18)	386,436	382,014	437,996	427,823	429,720
Preparations of meat, of fish, of crustaceans (HS 16)	537,854	559,960	561,468	657,419	386,751

Source: International Trade Centre & UN COMTRADE Statistics

Note: When a group has members that did not report, the group value is shown in red

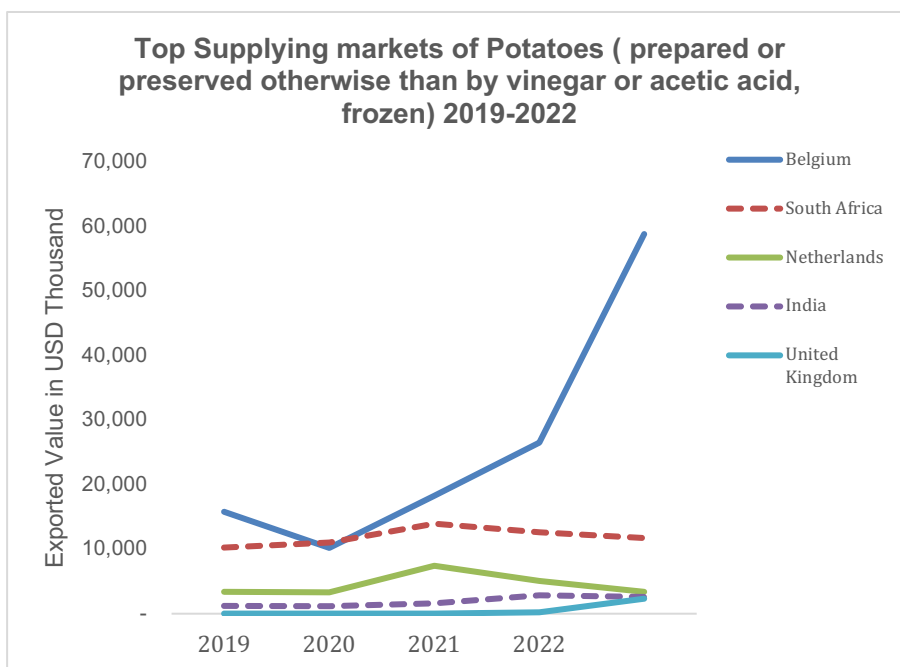
Upon further inquiry, the data shows that the Preparation of Vegetables sector (HS 20) presents another lucrative sector with low entry costs, particularly for naturally endowed partners such as Uganda and Kenya. Within this sector, Potatoes (HS 20.04.10) stand out as some of the most sought-after vegetables in the Tripartite Free Trade Area (TFTA). In 2023, imports into the TFTA (ratified member states) were valued at \$86.5 million, a significant increase from \$35.2 million in 2019 (145.3% growth).

Major suppliers of the TFTA's imports of Prepared Foodstuffs in 2023 included



In 2023, 91% of TFTA (ratified) potato imports were supplied by only five countries, of which only one (South Africa, 13.5%) was a TFTA partner state. Most of the potatoes were supplied by non-TFTA partner states, namely Belgium (67.9% or \$58.8 million), The Netherlands (3.8% or \$3.3 million), and India (\$2.9% or \$2.5 million).

Therefore, If regional integration aims to increase intra-partner state trade, then in the near future, a greater share of Potato imports should be sourced from other TFTA partner states. In Africa, Regional Integration Agreements are often celebrated *more* for their trade protocols *than* for the tangible increase in intra-partner trade.



While the operationalisation of the TFTA is an important milestone, truly benefiting from its membership requires a concerted effort from all stakeholders, including the business community, policymakers, Trade Support Institutions, and academicians.

One practical way to harness the benefits of the TFTA is by developing sector-specific guides that detail market opportunities in a language easily understood by the business community. Currently, most reports and documentation on market opportunities are easily understood by policymakers and academics, making them of less use by the businesses. Therefore, it is essential to create guides (Sector specific) that address critical aspects such as demand trends, market access conditions, potential distributors and the competitive landscape for high-demand goods within the TFTA. For instance, potato farmers in Uganda and Kenya would greatly benefit from a step-by-step guide to accessing South Africa's \$63.4 million market or Botswana's \$9.9 million market for frozen potatoes (prepared or preserved otherwise than by vinegar or acetic acid).